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Tuesday, 10 September, 1946 2 3 INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST 5 Court House of the Tribunal War Ministry Building 6 Tokyo, Japan 3 The Tribunal set, pursuant to adjournment, 9 at 0930. 10 11 12 13 Appearances: 14 For the Tribunal, same as before with the 15 exception of the HONORABLE R. B. PAL, Member from 16 India, not sitting. 17 For the Prosecution Section, same as before. 13 For the Defense Section, same as before 19 with the addition of: LIEUTENANT COMMANDER E. R. 20 HARRIS, USNR, Counsel for the Accused HASHIMOTO, 21 Kingoro. 22 23 (English to Japanese and Japanese 24 to English interpretation was made by the 25

Language Section, IMTFE.)

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MARSHAL OF THE COURT: The International
Military Tribunal for the Far East is now in session.

THE PRESIDENT: All the accused are present
except OKAWA and MATSUI who are represented by counsel.

Does any counsel desire to mention any matter?

Does any counsel desire to mention any matter?
Mr. Hauxhurst.

MR. HAUXHURST: May it please the Tribunal, the next document which the prosecution wishes to introduce into evidence is document 1505c, the February Gazette for 1939. There are two articles in this document, one entitled "The China Affairs Board", pages 5 and 6, which no reference will be made to as that has been covered yesterday. The other reference is to the speech by Prime Mirister KONOYE on December 22, 1938, from which we wish to read one paragraph.

THE PRESIDENT: Admitted on the usual terms.

MR. HAUXHURET: The paragraph begins on the bottom of page 3 of the document and it is as follows:

THE PRESIDENT: Wait until it is numbered.

CLERK OF THE COURT: Prosecution's document No. 1505c, being a copy of the Tokyo Gazette, February 1939, will receive exhibit No. 458, and the excerpt therefrom, 1505c, will receive exhibit No. 458-A.

(Whereupon, prosecution's exhibits

Nos. 458 and 458-A were received in evidence.)

THE PRESIDENT: It also contains a statement by the Prime Minister.

MR. HAUXHURST (Reading): "As regards economic relations between the two countries, Japan does not intend to exercise economic monopoly in China, nor does she intend to demand of China to limit the interests of those third Powers, who grasp the meaning of the new East Asia and are willing to act accordingly. Japan only seeks to render effective the cooperation and collaboration between the two countries. That is to say, Japan demands that China, in accordance with the principle of equality between the two countries, should recognize the freedom of residence and trade on the part of Japanese subjects in the interior of China, with a view to promoting the economic interests of both peoples; and that, in the light of the historical and economic relations between the two nations, China should extend to Japan facilities for the development of China's natural resources, especially in the regions of North China and Inner Mongolia."

The prosecution desires to introduce into evidence its document No. 1504B, the Tokyo Gazette for August 1938, page 37.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

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No. 1504B, being a copy of the Tokyo Gazette, August 1938, will be given exhibit No. 459, and the excerpt therefrom, prosecution document 1504B, will be given exhibit No. 459-A.

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(Thereupon, prosecution's exhibits Nos. 459 and 459-A were received in evidence.) MR. HAUXHURST: In this connection we wish

to call the Tribunal's attention to the testimony of Witness John Goette, pages 3860 to 3862 of the record and pages 3863 and 3864 of the record.

(Reading): "LAV'S AND ORDINANCES RECENTLY PROMULGATED. LAW CONCERNING THE NORTH CHINA DEVELOP-MENT COMPANY, LIMITED. LAW CONCERNING THE CENTRAL CHINA PROMOTION COMPANY, LIMITED."

"(Laws Nos. 81 and 82, Promulgated on April 30, 1938)".

"The North China Development Company has been created to accelerate economic development and to consolidate and adjust such undertakings in North China. The business of the company is to invest in and finance leading enterprises in transportation, harbour and port improvements, communications, electric power generation and transmission, mining, production and sale of salt and allied undertakings. The company is capitalized at 350,000,000 yen, of which half is

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subscribed by the Government and the other half by private interests. The firm is empowered to issue debentures to an amount five times its paid-up capital.

"The business of the Central China Promotion Company is to invest in and offer financial accommodations to enterprises in transportation, communications, supply of electricity, gas and water, mining, fishing, and other lines in order to assist the economic rehabilitation and development of Central China. The company is capitalized at 100,000,000 yen, to which the Government subscribes jointly and equally with private interests. This company, also, is empowered to issue debentures to an amount five times its paid-up capital.

"The Government recognizes the right of these two companies to declare preferential dividends on shares owned by private interests. It will subsidize the companies for a certain period to enable them to maintain payment of dividends on privately owned shares."

The prosecution now desires to put into evidence its document No. 1504-C from the Tokyo Gazette, December 1938. That article appears on pages 1 to 6. There is also as part of that article, in December 1938, a statement by Prince KONOYE on November 3rd which appears -- oh, 1504. I would like to read

from the radio address of Prince KONOYE as appears on page 6 of the copy of the document, two paragraphs.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document No. 1504-C, to wit, a copy of the Tokyo Gazette, will be given exhibit No. 460, and the excerpt therefrom, No. 1504-C, will be given exhibit No. 460-A.

(Reading): "RADIC ADDRESS OF PRINCE FU-MIMARO KONOYE, PRIME MINISTER, November 3, 1938."

The second paragraph, beginning:

"Following on the capture of Canton, Hankow, the heart of China, was also taken, so that the so-called "fiddle Plain' with its seven great cities, which virtually sustain the life of modern China, has now fallen into our hands."

THE MONITOR: Mr. Hauxhurst, Mr. Prosecutor, we don't have the Japanese translation prepared for us; so we will have to do it by relay as we did yesterday, sir.

MR. HAUXHURST: Rather than to delay the proceedings, if the Court please, I will withdraw the reading of that part of the document.

THE PRESIDENT: Well, how much did you intend to read?

MR. HAUXHURST: I intended to read that

second paragraph and the next paragraph on page 7.

THE PRESIDENT: Couldn't we have an extemporary translation?

MR. HAUXHURST: I thought -- felt certain this morning that the Japanese had been delivered. I don't know why the Language Section does not have it.

THE MONITOR: Sir, the Japanese translation delivered to us contains only the first portion of the English copy, and it does not contain the radio address by Prince KONOYE.

THE PRESIDENT: It is suggested to me that one of the defense counsel may have a copy in Japan-ese.

I understand they have not.

MR. HAUXHURST: Well, if that has not been served, it should be withdrawn, that part of it.

THE MONITOR: Now we have it, sir.

MR. HAUXHURST: It is the second paragraph, then, of the address. I would like to read it over, if I may.

(Reading): "Following upon the capture of Canton, Hankow, the heart of China, was also taken, so that the so-called 'Middle Plain' with its seven great cities, which virtually sustain the life of

modern China, has now fallen into our hands. There is an old Chinese saying to the effect that 'He who controls the Middle Plain controls the whole land.' Thus the Chiang Kai-shek government is no longer anything but a local regime. Japan has achieved these results without overstraining her fighting power, which has always been kept at a level sufficient to ward off any intervention from the outside."

And, then, skipping two paragraphs to the paragraph which begins:

(Reading): "It is an historical necessity that the three great neighbour nations, China, Manchoukuo and Japan, while fully retaining their respective individuality should stand closely united in their common duty of safeguarding East Asia. It is deeply to be deplored not only for the sake of Japan but for that of all Asia that the attainment of this goal has been thwarted through the mistaken policy of the Kuomintang Government. The policy of that government was based on the transient tide of the period that followed the Great War. It did not originate in the inherent intelligence and good sense of the Chinese people. In particular, the conduct of that government, which in its efforts to stay in power

cared not whether the nation was left a prey to
Communism or relegated to a minor colonial status,
cannot but be regarded as treason toward those many
patriotic Chinese who had risked their lives in
order to erect a new China. It was in those circumstances that Japan, reluctant as she was to be involved
in the tragedy of two great kindred nations fighting
against each other, was compelled to take up arms
against the Chiang Kai-shek regime."

And now, that they have the Japanese article of the document, I would like to read the last two paragraphs.

(Reading): "Placing absolute trust in the men at the front, the Japanese at home are silently engaged in speeding war-time production and in making preparation for protracted hostilities. Here we have a modern reproduction of the old Japanese spirit.

History shows that our national fortunes waxed or waned in proportion to the degree in which the whole people were consciously aware of Japan's national polity.

Knowing that a lasting peace in the Orient has always been the aim of our Sovereign, we cannot but be deeply conscious of our moral obligations as His subjects.

It is high time that all of us should face squarely those responsibilities -- namely, the mission to

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construct a new order on a moral basis -- a free union of all the nations of East Asia, in mutual reliance but in independence.

"What does this mean? What sacrifices does this call for? What preparations are required? These are matters of which we must obtain a clear understanding and concerning which we cannot afford to make any mistake. If there is anyone who believes that the fall of Canton and Hankow marks a turning point and that an immediate return to normal conditions is soon to arrive, he simply has not grasped the significance of the present Affair. There could be nothing more dangerous than that. Japan's undertaking to erect a new East Asia implies that she has entered upon a long period of creative work in all the activities of her national life. In that sense the real war has just begun. If we are to make of ourselves a truly great nation, we must stand united as one man and pursue with firm conviction and adamant resolve the task of reconstruction and construction overseas as well as at home."

I would now like to read from pages 1 and 6 of said document which appears on the first page of the copies thereof entitled "THE PROGRAMME FOR ECONOMIC DEVELOPMENT OF CHINA, Board of Planning,

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Part I."

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(Reading): "Now that Canton and the Wuhan district, two of the most important military and political bases of the Kuomintang Government, have been captured by Japanese forces, the immediate action necessary to consolidate the achievements of military triumph is the work of assisting in economic reconstruction and development in the occupied areas. In certain areas, the part of Central China with Shanghai as its centre and in the Shantung district where severe fighting took place and where devastation caused by retreating C inche forces was sweeping, public utility enterprises such as transportation services, communications, power stations and water works as well as industries in general have been utterly dislocated -- in a word, the economic structure as a whole has been destroyed. Even in North China and in towns and villages in rural districts in Central China, where damages caused by battles were comparatively slight, conditions of impoverishment, although in varying degrees, also prevail.

"On the other hand, there are enormous quantities of natural resources lying undeveloped in these areas, which might have been exploited for the promotion of industries and consequently for the happiness and

prosperity of the people. In trying to aid the new China, which is emerging under the rule of the new regimes established in Peking and Nanking, in the work of economic development, Japan must not confine its activities within the domain of reconstruction in its narrower sense. The undeveloped natural resources must be utilized.

"The main reasons for the failure of China under the Kuomintang Government to develop the resources lay in its lack of capital and technique and stability in the political situation. Japan can now bring these qualifications to the new China so that resources necessary for the promotion of economic power and improvement of the general standard of living may be developed in full. And when this state of affairs is realized, the purchasing power of the Chinese people will naturally be increased, bringing about in turn the increase of Japanese exports to China. Thus, development of natural resources in China has far-reaching consequences in realizing the ideal of economic collaboration not only between Japan and China but between the three neighbouring countries including Manchoukuo, which is the basic step for achieving the national purpose of establishing a new, ideal order in East Asia.

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"It has also an important bearing upon the life of the Japanese nation as the stabilizing force of East Asia in that it can supply Japan with materials such as iron, coal, salt and cotton, for the strenthening its national defence and augmenting its productive power. The necessity of reconstructing and readjusting transportation, harbours, communications and electrical enterprises can be understood in this connection. Sufficient supply of those necessary materials from a country within the Yen bloc will, to a considerable extent, decrease Japan's overseas payments, while the coordinated adjustment of industries within the three countries of Japan, Manchoukuo and China, eliminating unnecessary competition and friction between them, will work greatly toward the adjustment of supply and demand of materials and the balancing of international payments.

"These reconstruction activities, again, should not be considered only as post bellum measures. They are as vital and urgent as military operations and political activities; they are measures which must be carried out even while the hostilities are going on. For success in these measures will doubtless prove, on the one hand, to consolidate the new regimes and, on the other, to crush the Kuomintang Government.

"Establishment of Special Companies.

"As a concrete step for carrying out measures aiding reconstruction and development in China two special companies, the NorthChina Development Company, Limited and the Central China Promotion Company, Limited, have now been established. They are holding companies for investing in and financing subsidiary companies directly engaging in reconstruction and development undertakings, as provided for in the Law concerning the NorthChina Development Co., Ltd., and the Law concerning the Central China Promotion Co., Ltd., promulated on April 30, 1938.

"The purposes for which the two companies have been established are not the same. The company for North China is designed, as provided for in Article I of the special law concerned, to function in accelerating economic development in North China and in coordination and adjustment of related undertakings; while the other company is designed according to Article I of the Law, to function in promoting economic reconstruction and development in Central China.

Thus, in North China, where destructions caused by the hostilities have not been so heavy as in Central China and where an abundance of natural resources, such as iron, coal, salt, cotton, and wool

is still undeveloped, Japanese aid is to be mainly for economic development. In Central China, forming the centre for Western investments and Chinese industries and the heart of the economic structure of China, where such development has already been made to a considerable extent, and where devastation has been as sweeping as that in the Tokyo-Yokohama districts after the great earthquake of 1923, the immediate necessity. is reconstruction of industries and public utility enterprises, without which peace and order cannot be established, not to speak of starting construction and development activities. This is especially true of the need in Shanghai districts. Accordingly, Japanese aid in that part of China is to be for the rehabilitation and reconstruction of industries and public utility enterprises as well as for the further development of natural resources.

"These differences are also reflected in the estimates for funds needed for their respective undertakings of the two companies. The North China Company is capitalized at 350,000,000 yen in view of the vastness of its development programme, while the Central China Company is capitalized at no more than 100,000,000 yen in view of its main objective which is the work of rehabilitation and reconstruction. Both concerns are

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also authorized to issue debentures up to an amount. five times their paid-up capital. These funds together with the capital to be invested in subsidiary companies by the Chinese both in money and goods and that to be invested in them by private Japanese, amount to several billion yen.

"Subsidiary Companies.

"As has been previously stated, the two companies being holding companies, do not in principle operate directly any business enterprises. Their business will be to organize many subsidiary companies, to invest in and finance them and to coordinate and adjust their operations. In the case of the concern for Central China, however, it can, under some special circumstances, operate business enterprises directly."

The next paragraphs, to the bottom paragraph beginning on that page has already been outlined in the other exhibits showing the purpose of the corporation. I will omit reading that. At the bottom of page 3:

"These subsidiary companies, since they are the concerns operating directly in China, are expected to be established as corporations of Chinese registry under Sino-Japanese joint management. The question as to whether the principle of one company for one class of undertakings will be applied here will depend

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upon the classes of undertakings. As a matter of fact, decision has not been made on this matter.

"Coordination and adjustment of the operation of subsidiary companies, as provided in the Law concerning the North China Company, is designed to eliminate the possible occurrece of circumstances which may hinder synthesized growth of various enterprises relating to development of natural resources and other industries which will be started in that area. In the case of the concern for Central China, however, there is no such provision in the Law. This can be accounted for by the fact that in this area Japanese aid, except in a few cases of enterprises to be started, will be mainly directed toward rehabilitation, replenishment and extension of the existing enterprises, which can be effected by controlling important matters of investment and financing and by thus regulating their operation. In both cases, a certain degree of guidance will invariably be given through the power of capital in the hands of holding companies.

"Privileges Granted to the Two Companies.

"The missions of the two companies are highly important from the point of view of the current national purposes. Morevoer, their business may not be profitable from the first and many serious difficulties may stand

in the way of their successful operation. In view of these positive and negative factors which render the undertakings extremely momentous, the Government, besides making necessary investments in them, grants the two Companies many privileges by way of protection

6 as provided in their respective Laws.

"Hence the Government invests in the concern for North China 175,000,000 yen, representing half the total amount of authorized capital of 350,000,000 yen; and in the concern for Central China 50,000,000 yen, representing also half the total amount of its authorized capital of 100,000,000 yen. Of these governmental investments, certain amounts will be in forms of goods, which consists mainly of materials necessary for repair and construction of rolling stock, bridges and rails which have either been destroyed or taken away by the Kuomintang Government. Recognition of the right of these two companies to declare preferential dividends on shares owned by private interests, by which dividends of 6 percent per annum are assured, is another important privilege to be granted to them. For this purpose the Government will grant them subsidies of a certain fixed amount for the period of 5 years, beginning with the first year of their operation. As for the debenture issue, it has already been explained.

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"A privilege to be granted here is that payment of both principal and interest will be guaranteed by the Government.

"Privileges generally entail supervision.

The two companies do not constitute exceptions to this rule. They are required to get the approval of the Government with regard to raising loans, making changes in the articles of association, carrying out resolutions of merger and dissolution, and disposal of profits. With regard to plans for investment and financing for each fiscal year, also, they are to get governmental approval. Furthermore, the Government may give the companies such orders as are deemed necessary for the purpose of their supervision and of national defence. These and other supervisory measures are provided for in the Laws."

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MR. HAUXHURST: The prosecution now desires to present and offer into evidence its document No. 1505-B, "Tokyo Gazette, January 1939, The Programme for Economic Development of China. Board of Planning." Part II.

THE PRESIDENT: Admitted as before.

CLERK OF THE COURT: Prosecution's document No. 1505-B, to-wit: A copy of the Tokyo Gazette, January, 1939, will receive exhibit No. 461, and the excerpt therefrom, the same number, exhibit 461-A.

(Whereupon, prosecutions document No. 1505-B was marked prosecution's exhibit No. 461, and the excerpt therefrom, the same number, was marked prosecution's exhibit No. 461-A and were received in evidence.)

Mr. HAUXHURST: This document is quite long and goes into detail a good deal about the kinds of companies that they are to organize and take over. It seems to me it would be profitable just to point out a few paragraphs that I think are important at this point, as approaching the economic phase rather than go into the reading of the whole document. You see, it is part of the document that I have just read.

We have checked these excerpts with the Language Section of the Court, so that they are fully

advised as to what I expect to read without much delay in finding the paragraph. (Leading)

"Tokyo Gazette, January 1939. The Programme for Economic Development of China. Board of Flanning.

II

outline was given on the China development programme, particularly with reference to functions and operations of the North China Development Company and the Central China Promotion Company. In the present article, undertakings for development and promotion purposes to be conducted by their subsidiary companies will be discussed rather fully. And in doing so, those in North and in Central China will be taken up separately.

"In North China.

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"The vital importance of public utility enterprises, such as transportation and harbour and port improvements and generation and transmission of electricity in relation to the general work of development of natural resources, is widely recognized. Naturally, such undertakings will be considered first.

"with regard to transportation and harbour and port improvements, an immediate proposal has been

the creation of a concern with the operation of railways as its principal undertaking. The question, however, as to the advisability of operating undertakings relating to harbours and ports, which have functions as essential as railways in the economic development of that part of China, under one and the same management is still an open one; concrete plans concerning this company have not been decided on."

And then to the next page, the middle paragraph. (Reading)

concern named the North China Telegraph and Telephone Company, Limited, was established on July 30, 1938. This concern is capitalized at 35,000,000 yen, which is made up of investments by the Provisional Government at Peking amounting to 10,000,000 yen, including that in the form of equipment and other capital goods, and investments amounting to 25,000,000 yen by the North China Development Company and other companies operating in enterprises closely related to communications. Its main line of business is to construct and operate wire and wireless telegraph and telephone services, including the submarine cable. The successful operation of this new concern is expected to work greatly toward the realization of a

communications policy based on Japanese-Manchoukuoan-Chinese collaboration. Needless to say, this concern is operating in communications services not only between different parts of North China but also between Japan, Manchoukuo, and the rest of the world."

The next sentence in the next paragraph. (Reading)

"Establishment of a concern or concerns for the purpose of generation and transmission of electricity, important as this is, has not as yet been fully decided on."

And then turning to page 3, "Natural Resources."

(Reading) "Natural Resources." "Enterprises for developing natural resources which will likely be aided and placed under the coordinated control by the Development Company through investment and financing, as have been previously explained, are mines and those relating to the manufacture, sale and utilization of salt. With regard to the former, iron and coal mines will be the first to receive Japanese aid.

"Deposits of iron ores in North China amount approximately to 200,000,000 tons, representing more than half of the deposits in the whole of China which are said to be 350,000,000 tons. Of these only

a small portion has been developed and produced. The mine having the largest deposits is the Lungyen Iron Mine in Chahar Province. Here the deposits are said to amount to some 90,000,000 tons. For the development of this mine, a semi-official company was established in 1918, and the construction of an iron works with one blast-furnace was started in" -- I can't pronounce that name.

THE PRESIDENT: You are reading outside of the marked part. I don't know whether you meant to, but it doesn't seem to be of any importance.

MR. HAUXHURST: Yes. And then to the paragraph at the bottom of the page. (Reading)

"An iron mine company which is expected to be established soon may centre its operations in the development of the Lungyen Mine. Iron Works at Shihchingshan, Taiyuan and Yangchwan may also come under its management. Part of the ores from this mine and the surplus of pig iron produced in these iron works will be expected to Japan, while steel produced will be consumed on the spot. Already the Hsingchung Company is exporting to Japan the ores mined years ago.

"Coal is another important mineral product in North China. In Shantung Province, deposits are said to total more than 1,500,000,000 tons. Important

coal-fields in the Province are those at Poshan,

Tzechwan, Changkiu and Fangtze. Their annual outputs

amount fo 1,500,000, 7-800,000 and 4-500,000"---

I didn't intend to read that thing. I would like to proceed to the top of page 5. (Reading)

"In developing these coal resources," -In some way, the copy that I have has been mixed up
with the one that I intended to read. I am not sure
that this corresponds to the check, although I
thought it was this morning when I handed it to them.

THE PRESIDENT: Our copies appear to be marked clearly enough.

MR. HAUXHURST: I would like to start at the bottom of page 4, in connection with the Anglo-Chinese concern. (Reading)

North China are estimated to total to 130-40 billion tons, representing 50-70 per cent of those of the whole of China. The total annual output, however, amounts to no more than some 15,000,000 tons. Here again, the question as to the principle governing the number and distribution of companies to be established for the mining and sale of coal from those widely dispersed coal-fields and its sale has yet to be decided on.

"In developing these coal resources, the new company will aim at ensuring smoothness in the domestic consumption of coal in China by carrying out controlled supply, and at the same time meeting its demands in Japan, particularly the urgent demands for cohesive coal for the purpose of manufacturing iron. The volume of coal consumption in Japan will rapidly increase with the development of her industry, while the increase in production of coal is not likely to keep pace with such growing demands. As things stand, it will be necessary, ten years hence, to import annually hundreds of millions of tons. In the light of the current rates of foreign exchange and of transportation charges, not to speak of the programme of industrial expansion in Manchoukuo, which will perhaps demand the greater part of her own coal outputs, the natural direction to which Japanese industry will turn for the supply of coal must be that of China.

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"Coal fields in Kailan and in Shantung alone, however, cannot be depended upon for such a purpose, because of their limitations in outputs, natural conditions or ages. The field most suitable for the purpose, in other words, for large-scale new development is held by many experts to be the Tatung

field, the annual output of which can be made, according to them, to reach the 200,000,000 ton level.

"A concern for operating in the production, by liquefying coal, of liquid fuels, in which the three countries of Japan, Manchoukuo and China are suffering from shortage, is also being planned.

"As for an enterprise concerned with the manufacture, sale and utilization of salt, it constitutes an indispensable item in the development programme; and its foundation, of course, is the salt field."

"Salt imported to Japan from overseas territories and foreign countries, which amounts even
today to 1,500,000 tons, can be classified, according
to the places of its production, into two kinds,
pelagic and coastal salt. The latter kind is imported,
excepting the supply from overseas territories, from
Manchoukue, China, French Indo-China and Java; while
the former is imported mainly from African Eritrea,
Italian and French Somaliland, Egypt, Sudan and Aden.
For supplying the growing demands of salt in Japan,
it is certainly advisable, for economic and other
reasons, to depend as much as possible upon salt from
China. Accordingly, the rehabilitation and increase

of production of Changlu and Shantung salt by the new concern are urgently called for from the standpoint of the expansion of Japanese industries as well as from that of the domestic consumption in China for food and industries.

"In Central China.

"Industrial promotion in Central China has been planned to include the reconstruction and development of railways centering in Shanghai, bus and communication services, electrical undertaking, waterworks, mining and fisheries. Plans regarding concerns to be established as subsidiary companies of the Central China Promotion Company have been making progress."

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I would like to move, then, to the next page, to the item entitled "Iron Mines."

(Reading) "Iron Mines. Central China has also been blessed with iron mines, the most essential natural resource for modern nations. Iron deposits in the Yantze Valley are said to amount approximately to 100,000,000 tons, representing 35 per cent of the total deposits in all China. Favourably situated geographically and producing rich ores, these resources have been developed to a greater extent than those in North China. Viewed as a whole, however, the development of iron resources in the country has been extremely insignificant in relation to the total volume of deposits of the ores, their total annual output being no more than 1,300,000 tons."

And then skipping the next paragraph:

"For the purpose of developing these resources, the Central China Iron Mine Company, Limited, came into being on April 8, 1938. This company has not as yet been fully capitalized, the only principal investment in it being 10,000,000 yen by Japanese interests, including that of 4,500,000 yen by the Promotion Company. The investment by Chinese interests, other than a negligible amount already invested in the form of deposit money, will be made in the form of equipment

and goods, when negotiations have been concluded regarding appraisals of their mines. Furthermore, since
the Wuhan district has been occupied by Japan, the
rehabilitation and development of the Tayeh and other
mines in the upper Yantze Valley have now been called
for.

"Other Enterprises.

"A concern for controlling transportation on creeks has also been established as one of the subsidiary companies. Simultaneously, plans are favourably progressing for the creation of concerns to operate in bus services, fisheries, and salt manufacture in the neighbourhood of Haichow.

"Thus, through well-planned, thoroughgoing

Japanese aid, the economic life of the new China will

fast be revived and developed not only for the prosperity

of the Chinese people but also for that of all coun
tries in East Asia."

I would like at this time to introduce into evidence on behalf of the prosecution, its document No. 1529-D. This is the Tokyo Gazette, Volume 495, for November 1940; and as part of this document is also an article in the Lecember number, 1940, entitled "Summary of the Program for Economic Construction Embracing Japan, Manchukuo and China."

THE PRESIDENT: Admitted as before.

DEPUTY CLERK OF THE COURT: Prosecution's document No. 1529, being two copies of the Tokyo Gazette, to-wit, 5 and 6 November and December 1940, will be given exhibit No. 462; and the excerpt therefrom, to-wit, prosecution No. 1529-D, will receive exhibit No. 462-A.

(Whereupon, the documents above referred to were marked prosecution's exhibits No. 462 and 462-A, respectively, and were received in evidence.)

MR. HAUXHURST: The first article: "Industrial Reconstruction in China," by the Cabinet Information Bureau. This article also contains duplications of matters that have already been read to the Tribunal, so there will be a few excerpts referred to which have been checked with the Language Section.

At the bottom of the first page, the paragraph:
"The low productivity of Chinese industry has
a cramping effect and does not allow the rich industrial resources of the country to be used for her own
advantage. Instead such resources have mostly been
exported in the form of raw materials to feed the
advanced industries in distant parts of the world, and
which in turn necessitated the importation of raw

materials required for Chinese industry. Furthermore, this low industrial productivity has at best secured to the workers an extremely low livelihood, with the result that Chinese industry has been unable to separate itself from agrarian economy."

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And then the second paragraph on page 2 of the English statement, part of it:

"As 80 per cent of the industrial plants in China was concentrated in the five industrial centres, direct damages sustained by them as a result of the hostilities were enormous. In Shanghai, according to statistics compiled by the Social Affairs Bureau of the old Shanghai Municipality in November, 1936, 2,998, or about 55 per cent, out of the 5,525 factories in that city were destroyed. Damages increased still further consequent on the fall of Nantao. All in all, damages to factories in the city were estimated at 800,000,000 yuan."

And then to the top of page 3:

"Rehabilitation. The industrial areas thus affected by the hostilities are the strategie districts under the new Chinese Government. It is necessary, therefore, to undertake first of all the rehabilitation of factories, rescue work and maintenance of peace and order in those stricken cities. For this purpose, all

the factories which were deserted by their owners have been placed temporarily under the supervision of the Japanese military, or consigned to Japanese interests. Many Chinese factory owners were able to reopen their plants by the aid of Japanese capital and engineering skill under Sino-Japanese management. This arrangement has attracted no small amount of Japanese capital to China and has helped many a prostrate Chinese factory to regain its feet."

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And then to the paragraph at the bottom of the page:

"From Restoration to Construction. With
the progress of restoration work, Chinese industry has
entered a new stage of development and should therefore expand along modern lines. Under Japan's leadership, a plan is now under way for the systematic development of North China, including the Mongolian provinces, with a view to preventing the infiltration of
Communism and stimulating China's productive power.
Under this plan, various industries such as coal, iron,
coal liquefaction, electric power and salt industries
have been placed under economic control, while spinning and other industries were allowed to remain as
free enterprises. In November, 1937, the North ChinaDevelopment Company was organized as a holding company

for controlling various subsidiary companies related to such industries. As for free enterprises, they are to be conducted in accordance with the following three basic principles for the establishment of a new order in East Asia: (1) Japan, Manchoukuo and China must avoid economic rivalry; (2) Any enterprise which may call for dual investments will be restricted; and (3) Indiscriminate duplication of enterprises of the same kind must be avoided. Accordingly, policies based on these principles have been formulated to regulate free enterprises.

"This policy of regulating industry is intended to promote a healthy development of Chinese industry, and to encourage Sino-Japanese economic cooperation by affording it political and economic security. The declaration of the commander-in-chief of the Japanese expeditionary forces in China on March 18, to the effect that factories under Japanese military supervision are to be restored to legitimate Chinese ownership is animated with the same spirit. Such is the political, economic and military policy of the Japanese Government in the special areas of North China as it is in Central China. Important industries are controlled by the North China Development Company and the Central China Promotion Company, while minor industries may be

undertaken as free enterprises.

"North China.

"The method of industrial control is of special interest. Up to the outbreak of the China Affair, a greater part of the iron industry in North China was still undeveloped, and the Shihchingshan refinery had been closed for 20 years. The iron industry is now under the direction of the Lungyen Mining Company, a Sino-Japanese organization established in July, 1939. The Shihchingshan Iron Works has been put into operation since November, 1938, the Yanghuan Iron Works since June, 1939, and the Taiyuan Iron Works since November, 1939, and they are doing very creditably."

One part of the paragraph on page 5, the second paragraph:

"In Central China, there are 12 subsidiary companies of the Central China Promotion Company. The Huachung Salt Company, established in August, 1939, is developing the salt fields of Haichou. It also intends to develop new salt fields by directly investing its capital or by accommodating loans."

I would now like to read from the December issue of the Tokyo Gazette as it appears at the end of this document.

THE PRESIDENT: This is a convenient break.

We will recess now for fifteen minutes. (Whereupon, at 1045, a recess was taken until 1100, after which the proceedings were resumed as follows:)

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MARSHAL OF THE COURT: The Tribunal is now resumed.

THE PRESIDENT: Mr. Hauxhurst.

MR. HAUXHURST: May it please the Tribunal, 1529d, Tokyo Gazette for December, 1940. (Reading): "SUMMARY OF THE PROGRAMME FOR ECONOMIC CONSTRUCTION EMBRACING JAPAN, MANCHOUKUO AND CHINA

"Announced by the Cabinet Information Bureau on November 5, 1940 --

"Basic Purposes

"Now that the fundamental national policy of establishing the Greater East Asiatic sphere of common prosperity, which sims at the construction of a new world order, has entered upon a new phase with the conclusion of the Three-Power Pact between Japan, Germany and Italy, the Government, at a recent session of the Cabinet Council, have decided on the Summary of the Programme for Economic Construction Embracing Japan, Manchoukuo and China, with a view to coping with new developments in the situation, and intend hereafter to carry cut national policies consistently in conformity with that fundamental national purpose. The objective of the new policy is to realize unprecedented progress in the Greater East Asiatic sphere of common prosperity based upon a comprehensive economic development of the three countries, in accordance with a new outlook on the conomic order.

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"The world economic system of free trade resting upon the basic assumption that peoples and nations everywhere can freely exchange goods is in the process of disintegration. Accordingly, the Japanese system is also called upon to reorganize on a new basis discarding the old structure which is dependent on the old order. In this reorganization, however, Jepanese economy must be made a higher, broader and stronger structure, capable of leading the peoples of East Asia to improve their living conditions and to find their respective places in the new world order. What is meant here by 'higher' is that the power of life in possession of our nation must be made to create a higher productivity; by 'broader' is meant that the sphere of mutual economic dependence must be extended from that of Japan, Manchoukuo and China to that of Greater East Asia and must be firmly established, and by 'stronger' is meant that impregnable economic strength able to meet any situation must be maintained by keeping the extent to which Japanese economy is dependent upon other countries to a minimum. To this end sufferings attendant on efforts of renovation must be overcome internally and any pressures and threats from outside be repulsed, by uniting all the forces and resources of the nation

and by a determined will. Thus a new East Asiatic economic order under Japanese leadership must be established within about ten years. In this East Asiatic order alone, the economic system not only of Manchoukuo and China but also of other countries of East Asia can be expected to improve and develop to the highest extent.

"Essentials of Basic Principles

"For the purpose of realizing the task of constructing a new East Asiatic order and thereby ensuring the lasting peace of the world, the processes of the renovation of her internal structure and of the enlargement and organization of her living sphere must be brought into perfect unity. Her basic economic policies must accordingly be established upon the organized planning of the three following processes:

- "1. Perfection of the reorganization of national economy.
- "2. Organization and strengthening of Japanese-Manchoukuc-Chinese economy.
- "3. Enlarged organization of the East Asiatic sphere of common prosperity.
- 23 "Basic Lines of Policy
- 24 "1. The objective of the programme for eco-25 nomic construction embracing Japan, Manchoukuo and China

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is to establish a self-supporting self-sufficient economic structure within about ten years, in order to strengthen the position of Fast Asia in the world economy by accelerating the construction of the East Asiatic sphere of common prosperity.

"2. Guiding principles on which Japan is to undertake the economic construction programme embracing the three countries lie in the promotion of the general welfare in an ideal state of co-existence and common prosperity through the unitary cooperation of the three countries, in accordance with the high and broad spirit of Hakko Itiu.

"3. In order to expedite the economic construction Japan will endeavour to uplift the morale of the nation, renovate the internal structure, augment national strength while rendering assistance to the economic reconstruction of Manchoukuo and China. For this purpose she will strive for the promotion of science and technique and undertake the development of pioneer industries.

"4. Manchoukuo, being in an inseparable relationship with Japan, is expected to swiftly perfect and develop important basic industries.

"5. China is expected to develop her resources and reconstruct her economic system in collaboration with Japan and Manchoukuo; in particular, progress in communications and transport services, smooth exchange of goods, and development of essential industries and resources are called for. Thus she is expected to contribute to the establishment of the East Asiatic sphere of common prosperity."

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"6. With a view to adjusting and accelerating the organized planning of economic construction embracing Japan, Manchoukuo and China the administrative machinery relating thereto shall be speedily perfected.

"Practical Policies

"In view of the fact that Japan, Manchoukuo and China constitute the backbone of the East
Asiatic sphere of common prosperity, having thereby
the duty to regulate economic relations on the basis
of their closest union, the government have decided
on essential policies in respect to spheres of industrial activity, labour, finance and banking, exchange, and communications and transport covering
the three countries.

"Spheres of Industrial Activity

"In determining spheres of industrial activity, the conditions peculiar to the three countries and their respective phases of economic development should be considered, thereby effecting decisions from the comprehensive point of view and treating them as an organic whole.

"Viewed in that light, Japan should hereafter strive for the promotion of the highest type of precision industry as well as mechanical industry while endeavouring to develop basic industries, such as the heavy, chemical and mining industries.

"Manchoukuo is expected to make an epochmaking advance in the mining industry and in electrical undertakings. For the development of her
heavy and chemical industries Japan is prepared to
offer necessary assistance.

"Chine is expected to develop her mining and selt industries and to undertake large-scale production of raw materials. Since her natural conditions afford much room for the development of heavy and chemical industries, progress along that line is also expected hereafter.

"The development of light industries on the Continent must be greatly promoted. In this connection, it is necessary that Japan should readjust her light industries, particularly the fibre and miscellaneous industries. Their removal to the Continent must be seriously considered.

"With regard to agriculture in Japan, measures will be taken for the improvement of various systems relating to land, renovation of farm management, betterment and security of the living of farmers and ensuring of the staple food of the people as well as the maintenance of definite numbers in the

farm population. Measures will also be taken, in this connection, for the steady development of fishery enterprises and for the rationalization, utilization and conservation of forest resources.

in view of the position of that area as a base for the supply of foodstuffs and fodder for Japan, Man-choukuo and China, and as the source of supply to the world of special agricultural products, the increase to the fullest extent of agricultural production is expected. For the purpose of this development, the migration of Japanese agricultural settlers will be facilitated. In respect to agriculture in China, efforts for the assurance of the staple food of the nation must be made. The increase of the production of cotton and other staples is also urgent.

"Lebour

"In order to hold a predominant position in world economy, the place of labour and technique will become increasingly important. For this purpose, their structure in Japan must be radically revised. Moreover, labour power available in each of the East Asiatic countries and regions must be enabled to make its contribution to the improvement of the whole labour force, thereby maintaining the

superiority of the East Asiatic sphere in world economy. With this in view Japan intends to perfect a new structure in labour and technique, endeavouring to train and build up the bodies and minds of workers, to provide a thoroughgoing scientific education, to heighten the productivity of labour and to train technicians and skilled workers. Thus the conomic construction of Manchoukuo and China will bc accelerated and assisted as required by the two countries; Manchokuo and China will be supplied with technicians and skilled workers capable and necessary for their industrial development and economic construction. Needless to say, the two countries themselves have to train those types of men in view of the importance of technique. It is further required of Menchoukuo that she should plan not merely for the migration to and settlement in the country of labourers from North China but for the establishment of measures for the self-sufficiency of labour as well as the improvement of its management, in particular, in the mining industry.

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"Finance and Banking

"With a view to expoditing the construction of national-defense economy, the function of finance and banking also should be made to conform to the

national purpose. In other words, it should so function that the materials required by the State may be ensured in quality as well as in quantity. In order to make possible the execution of an industrial programme embracing Japan, Manchoukuo and China, the distribution of capital must be determined according to an organized plan and a system equal to that task be set up. In that connection, there must be perfected a financial mechanism facilitating the storing of steple goods, in keeping with the progress of technique, along with the creation of spheres of industrial activity, and with changes in industrial equipment. Capital required for the three countries must of course be supplied by their own accumulation. To this end measures must be taken by the three countires for the increase and efficient utilization of such accumulation. With regard to capital necessary for the development of essential industries, Japan is prepared to give assistance in its supply. And the relationship of mutual assistance in international settlements should be established between the three countries as their economic relations become increasingly closer.

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"In respect to exchange in the coming new world order, the principle of commercial trade of the past must be revised to a considerable extent; there must emerge the principle of productive trade, which enables each country, region and economic sphere to supply to others goods required by them in exchange for the goods necessary for its own planned production; and which regulates trade between those countries and regions, not to speak of that between Japan, Manchoukuo and China, in such a manner as will create a mutual, unitary relationship. In so doing, a special agreement for payments between those countries and regions will be required, with a view to facilitating the closer flow of goods between them.

"Communications and Transport

Japan, Manchoukuo and China as well as between the regions in the sphere of common prosperity, systems of communications and transport between the three countires must be perfected and operated by a comprehensive and organized plan, thereby ensuring the security of the whole of the sphere. Accordingly, the connection between land and sea transport services of the three countries must be expedited;

a large-scale increase in shipping, control of and connection between air lines, as well as the per-fection and extension of electric communication facilites, must be planned."

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Prosecution now desires to introduce into evidence its document No. 2203, being part five of the Chinese Incident, "Document Purporting to Establish Provisional Government at Peiping and Restoration Government at Nanking." THE PRESIDENT: Admitted as before. CLERK OF THE COURT: Prosecution's document No. 2203 will receive exhibit No. 463 and the excerpts therefrom exhibit No. 463-A. (Whereupon, prosecution's exhibit Nos. 463 and 463-A were received in evidence.) MR. HAUXHURST: In this connection I would like to refer the Tribunal's attention to the testimony of witness John Goette in connection with provisional governments as appears on page 3853 to 3860 -- and 3860 of the record. I have been requested by the General Affairs Section -- General Affairs Bureau to ask for a release of this document as soon as it is available as they apparently have need for it. This is a copy of a document the original of which was destroyed in bombing. Application will be made in accordance with the rules of this Court

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"The Provisional Chinese Government "In 1937, following the collapses of TEH-CHOW, SUIYUAN, CHANGTE, TAIYUAN etc. in North China, at the end of November the National Government had broken up and removed to HANKOW, CHUNGKING and CHONSHA and finally NANKING collapsed on 13 December, deciding the general trend of war situation. the opportunity to establish a new regime which was pre-arranged among the important men in North China had matured.

"The circumstances which WANG KO-MIN consented to become the head of the North China regime are as follows: At the beginning of the Incident he was at HONGKONG. The head of special service facilities in PEKING, major general KITA, eagerly made efforts through Fiji YAMAMOTO, who was in SHANGHAI, to persuade WANG to accept the invitation; meanwhile, staff officers from PEKING and FORMOSA were specially dispatched to HONGKONG for the same purpose. As the result WANG came to SHANGHAI on 24 November, and on 6 December made a flight to FUKUOKA and went to North China with YAMAMOTO and YU CHIN.

"It is said that when WANG entered SHANGHAI, 25 he had not yet consented to become the head of the

North China regime but on condition that he make an inspection trip he consented to the journey.

"The North China army authorities had made great efforts under the plan to establish the North China regime as the Central Government of China in the future and arranged to invite not only WANG but other influential men from South China through YOSHINO and IMAI (military officers) who were stationed in SHANGHAI. Toward this policy the central army and General TERAUCHI gave approval; however, a section of the military officers in SHANGHAI expressed opposition, especially Colonel KUSUMOTO was opposed to pulling out many influential men from SHANGHAI, on the ground that there is no necessity to determine North China as the political center from the beginning.

"After the arrival in PEKING, WAN Ko-Min decided to accept the chairmanship of the North China regime and determined Government organization and fundamental principles. On 14 December 1937, the Provisional Chinese Government was established in PEKING.

"The Government organization and the fundamental principles are as follows:

"(1) The Government shall be organized, under the head of the Government, with mutual legis-

lative independence, the executive and the judicial and with the independent committee mentioned below: "(a) The Committee of discussing policies (to discuss important national policies and general political affairs)."

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Unless the Court feels it is necessary to 1 read all of the names of the particular officers, I 2 will skip down from "(1)" to "(2)." 3 "The national flag: 5 colored flag 4 "(3) The gist of the declaration. 5 6 "(a) We restore democracy and eliminate unclean party politics. 8 "(b) We absolutely abolish communism. 9 "(c) We enhance the morality of the Far East 10 and promote friendly relations between 11 other nations. 12 "(d) We exploit industries and improve nation-13 al welfare. 14 "(e) We accept complete responsibilities for 15 the duties declared by the previous 16 Government. 17 "As the result of the new establishment of 13 the Provisional Government, the Committee of maint-19 enance of Peace in Peking district, the Committee of 20 maintenance of Peace in Tiertsin and the Federation 21 of maintenance of Peace in Ping Tsien had joined and 22 on 30 June 1938, the KITUNG regime combined with the 23 new Provisional Government."

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"According to the 'Fundamental principles to manage the Incident (A) which was decided soon after the establishment of the Provisional Government at the Cabinet meeting, the Japanese Government will cooperate with the Nanking Government to save the situation if the Nanking Government reconsiders. However, if the Nanking Government does not reconsider and continues the so called long-term resistance, Japan will not expect to negotiate with the Nanking Government in the future, and futhermore to meet the necessity to manage the vast areas occupied by the Japanese forces, henceforth Japan will take separate measures.

"In North China, the main policies are to promote public peace and welfare; politically, to establish a regime which has anti-Comintern aims, pro-Japanese and Menchukuo policies; economically, to establish an indivisible relationship between Japan, Manchukuo and China and gradually expand and strengthen this regime to make the central power of the regenerated China. However, if the negotiation between the old Nanking Government are brought about, this Government shall be adjusted in accordance with the conditions of peace.

"Further, based upon 'the basic policy on

the disposition of the China Incident decided by the Imperial Conference met on the 11th of January 1938, our Government has set up its policy to the effect that as regards the Control Government, we reserve a right to negotiate with the old Nanking regime on the basis of the peace terms drawn up separately in case it makes reflection, changes its mind and approaches us with sincerity, seeking peace: that, if on the contrary it makes no peace offer to us we drop our idea to seek a solution of the conflict through further negotiation with it; that we help create a new Chinese regime and cooperate with it to build up a new reform China by making an arrangement with it to regulate the relations between the two countries; that we on the other hand endeavor either to crush the old Nanking regime or to get it merged into a new central regime.

"With regard to the peace negotiation which we have so far been taking up through the intermediary of the German Covernment, the old Manking Government has on January 14th edvised us through the German Ambassador in Nanking that in order for it to arrive at a final decision, it desires to have further details of our demands on the ground that this demand is too extensive in scope. We have taken it for granted that the present answer from the Chinese contains

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no trace of a sincere wish for peace and is designed merely to delay the settlemth, since they ought to have a full knowledge through Germany as to the basic peace terms set forth by the Japanese. Thus our government on or about January 15th has ceased to entertain any hope for a peace out of our negotiations with the Nanking Government, and the Cabinet has decided its policy to start the second phase of our measure in line with the policy decided by the Imperial Conference of January 11th, i.e. to take steps to help create and develop a new Chinese regime. In this connection our Government has on the 16th made public a statement domestically and abroad as to the foregoing and at the same time notified the Chinese to terminate our peace negotiation between us.

"2. Movement for establishment of a new government in Centrel Chine.

"When the Japanese force crushed the Chinese army in Shenghai and its vicinity, and subsequently on December 13th, 1937, captured Nanking, movements for creating a new regime in the Central China were launched. First of all, the Shanghai Tatao Municipal Government was organized in Shanghai on December 5th. In various places other than Shanghai public order maintenance associations came into being. Among these,

the major organs are the Nanking Public order maintenance association and the Hangchow Public Order Maintenance Association established on January 1st 1933. Nevertheless, in Shanghai area the influence of the Chiang regime and the Nationalist Party proved to remain strong, far more than what was anticipated, even after the fall of Nanking, so that it was impossible for the pro-Japanese elements to openly approach the Japanese even in the International Settlement. Thus, the matter of building up a substantial regime had long been difficult unlike the case in North China.

"The movements for establishing new regimes started during the fall of Nanking up till the date when the Restoration Government came into being may be summerized as follows:

"(1) Shanahai City Tatao Government (Tatao Municipal Government).

is reported that Colonel KUSUMOTO of the office of Embassy Military Attache and Colonel KAGESA of the Headquarters of General Staff had consulted with each other and helped towards its formation. The naval authorities and the Foreign Ministry Officials on the spot were entirely uninformed thereof until the

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moment when this government started to assume a concrete form. Thus, this government was at the time generally very unpopular (Mayor SU Hsi-wen is a Fukienese, a graduate of Wasada University, and was one time an official with duties in salt affairs).

"This municipal government put under its jurisdiction the following districts: Pu Tung,
Nanking, Hu Si, Chapei, Chi Ju, the center of the
City, Wusung, Peh Kiao, Kiatung, Paochan, Fensien,
Nanhui, Chuansha, and Tsungming, and consists of
the following; Secretariat office, special district
administration office, social affairs section, police
section, finance section, education section, sanitation section, estate section, transport section,
engineering section, legal board, general rural
district administration of fice.

"(2) Shanghai War-Zone Relief and Rehabilitation Association.

"The above association, mainly organized by a group of traders headed by YU Ye-ching and some others, backed by the Tsingpan controlled by CHANG Hsimpling attemps to undertake the duties pertaining to the maintenance of public order and rehabilitation of commerce and industry, and all sorts of remedial jobs in the war-zone of Shanghai. Although

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it is termed as relief and rehabilitation association, it is rather a political body. A committee-system is adopted by it, headed by a chairman nominated by the committee by vote, and it had attempted to take up a representative system. This movement was launched, sponsored by influential members of the inhabitants in Shanghai, but it had, after all, ceased to run without a chance to develop into a form of government.

"(3) The Movement sponsored by the Sishan faction to uphold TANG Shao-i.

Commander MATSUI caused SUGANO Nagetomoe to come to Shanghai with him. SUGANO, together with YAMEDA Junzaburo and some others, then began to get in touch with CHIN Chung-fu, and tried to have the Sishen Faction, including TANG Shao-i, HSU Chung-chi, CHU Cheng and others, form a new regime. This effort, however, made no rapid progress. On the other hand, the TANG Shao-i group was skeptical and feared that the Japanese might come to a compromise with the Chiang regime in future or might attempt to create a purely puppet government. Thus, the attitude of this Chiange group was then rather possive. (Later TANG Shao-i and WU Fei-fu started cooperation with

each other and their collaboration showed signs of assuming material development, but the Tang-Wu coalition, which was to come into power, was frust-rated owing to the incident in which TANG fell a victim of assassins, which occured in August 1938". I would like to omit the reading of (4), (5) and (6), and continue on the next page, "3. The Restoration Government of the Republic of China."

(Reading) "3. The Restoration Government of the Republic of China.

"The movement for establishing a central regime in Central China has progressed to maturity when LIANG Hung-chi, JEN Yuan-tao, CHEN Chun and WEN Tsung-yao entered the political arena. It was ramored that Major General HARADA, and Colonel KUSUMOTO of the Army Special Service organ and the Naval Special organ in Shanghai gave assistance to all of these different streams of men in order to expedite collaboration between them. In connection with the establishment of the above government, however, the North China group soon began to create strong opposition.

"The major factors in the structure of the Restoration Government and its platform at the time when it was formally established on March 28th may be summarized as follows:

"(1) This government was a tripartite coalition in the form of a democratic constitutional government with three councils and seven departments in its formation."

I would like to go down from that to (2), omitting the reading of the departments.

"(2) National Standard: 5-color standard

has been adopted. "(3) Gist of the platform. "(A) A constitutional form of government 3 under tripertite coalition has been adopted, abolishing the single party absolutism. 5 "(B) The government will carry out anti-6 Comintern measures as fer possible. 3 "(C) As regard foreign relations, the government will endeavor to guarantee equality, 9 preservation of sovereignty, neutrality and smity, 10 peace in East Asia and friendly relations with all 11 12 the foreign nations. 13 "(D) The government will take steps 14 for the relief of war sufferers, to provide aid 15 to them for their return to normal business life, 16 end for carrying out regional purges. 17 "(E) The government will take measures 18 for the exploitation of natural resources, promotion 19 of agriculture and industry, introduction of 20 foreign capital and economic collaboration with 21 foreign countries which are on friendly terms. 22 The government will endeavor to 23 develop commerce, industry and banking, thereby 24 to increase the national wealth. 25 "(G) The government will take steps

to advance the scientific knowledge of the nation on the basis of its own peculiar culture, and to purge radical education.

"(H) The government will rationalize its finance to make it more fit, and take steps to lessen the burden on the people.

"(I) The government will open the door for men of ability, permit freedom of press, speech and criticism of politics.

"(J) Abolition of irregular agents and measures to carry out a purge of government personnel.

"As a result of the establishment of the aforementioned Restoration Government a number of local governments were then going to be created under its control because the public order maintenance associations in all different places were to be dissolved. Thus, the provincial governments in Kiangsu Province, Chekiang Province and Anhui Province, and the Governor's Municipal Public Administration office of Nanking came into being on May 23rd, June 20th, July 23rd and April 24th respectively. While in Shanghai the Governor's Municipal Public Administration office of Shanghai was established on April 28th, taking over the whole

organization of the Tatao Government together with virtually a nominal change made in its formation. This Municipal Government discarded the name of 'Tatao' and was specially put under direct control of the Administration Council.

"(Pages 1187 - 1189)

"Program for the direction of Central China administration. (This program covers the period until little after the establishment of the New Regime)

"(Provisionally decided on Jan. 27, 1938)
"I. General Principles.

- "(1) They shall found a highly pro-Japanese regime, gradually free themselves from dependence on Europe and America, and establish the foundation of a district in China dependent on Japan.
- "(2) The direction of that regime shall be so exercised that the regime, in the course of its future development shall smoothly amalgamate with the North China Regime. The direction shall stop at general inner direction by Japanese advisors. Detailed direction and interference in administration by appointing Japanese officials shall be avoided.
 - "(3) CHIANG Regime shall be annihilated.

At the same time, elimination of Communists and destruction of the Nationalist Party in a short time within the area under Japanese occupation shall be realized. Afterwards similar operations shall be speedily extended to neighbouring areas.

"II. Program for Direction.

"(4) In directing administrative affairs, emphasis shall be placed on the highest political organization, above all, the Legislative Department, and the domestic administration (chiefly peace maintenance), financial, industrial and educational sections of the Administrative Department, which is the executive organ. In and around SHANGHAI, special facilities shall be created, in order to establish the foundation for the economic development of Central China.

"(5) In directing Provincial Governments and lesser local governments, participation by Japanese advisors shall be avoided as much as possible, so that directions from upper administrative organs shall be smoothly carried out.

"In areas under Japanese occupation, especially in war areas, easing people's minds and giving them employment shall speedily be realized.

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"(6) The foundation of finance shall speedily be established, banking organs adjusted, and Japan-China economic collaboration in Central China realized. Measures for it are described in another program.

"(7) As for armaments, minimum army shall be trained for maintenance of peace and order, and make efforts, under the guidance of the Japanese army, to restore public order. But the navy and air force shall be included in the defense plan of Japan.

"(8) Throughout the whole areas, peace maintenance corps set-up belonging to administrative organs shall be strengthened. For this purpose, several Japanese police officers shall be appointed as instructors in order to establish police administration.

"(9) Establishment of special schools to train model officials and promote cultural activities and the creation of a special lateral organ to promote political purge, shall be otherwise planned.

"(10) Local autonomous bodies shall be gradually abolished, as administrative organization is improved.

"(11) The first-stage administrative area shall be the district under Japanese occupation. The area shall be successively extended.

China New Regime (in accordance with the program of the administrative direction) "(Tentatively decided on Jan. 27, 1938) "I. General Principles "(1) Name of the New Regime shall be as follows:- Central China Provisional Government "(2) Site of the Government shall be as follows:- "For the time being: SHANGHAI "In the future: NANKING "(3) National Standard: - "5 Colour Flag "(4) Form of Government:- "To be decided separately. "(5) Declaration and Platform as descriting a separate copy. "(6) Organization of the New Regime:- "As shown in the diagram. "(7) The New Regime shall be speedily up, and, by nurturing it, antagonistic influences shall be destroyed with physical and moral pressuration of this purpose, local autonomous body.		
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shall be destroyed with physical and moral pressured with physical and physica	22	up, and, by nurturing it, antagonistic influences
"For this purpose, local autonomous bod	23	shall be destroyed with physical and moral pressure.
25		"For this purpose, local autonomous bodies
	25	which are being set up successively in the areas under

Japanese occupation, shall be strengthened, and public sentiments desiring the establishment of a New Regime backed by Japan shall be powerfully stimulated. Moreover, in and around SHANGHAI, economic rehabilitation shall be speedily realized, thereby to contribute to the establishment of the New Regime set up.

"(8) Of the expenditures in the initial stage of the New Regime, considerable part shall be borne by Japan.

"(9) For the relief of war-sufferers, and rehabilitation of industries, emergency measures shall be speedily taken. Especially, agricultural produce shall be smoothly supplied to the market; and farmers shall take to spring farming without uneasiness.

"For this purpose, maintenance of local peace shall be undertaken by the Japanese Army to the best of their ability until the establishment of new local government organs.

"(10) Order of the establishment of the new administrative setup is as follows:

"1 Central Government setup, especially legislative and executive departments.

"2 SHANGHAI Special Municipality setup

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"3 Provincial Governments setup 1 "4 Organization of county autonomous bodies and downwards 3 "(11) In parallel with the execution of 1 and 2, the influence of TSINGPAN and CHIHPAN shall be turned pro-Japanese, and made to assist the New 6 Regime directly and indirectly. "(12) In fixing new administrative dis-8 9 tricts, former ones shall generally be preserved. 10 "(13) In foreign settlements, with the 11 strengthening of the New Regime, Japanese influence 12 shall be gradually extended, and, after the estab-13 lishment of the New Regime, the organs of the old 14 regime under the control of Japanese Army and Navy 15 shall be taken over by the New Regime at proper' 16 opportunity, causing at the same time outstanding 17 issues to be speedily settled. 18 "(14) TATAO Municipal Government, 19 Citizens' Association, and other newly-born organs 20 shall be co-ordinated into the new SHANGHAI Municipal 21 Government setup. 22 "(15) Purely administrative organs of the 23 Province and downwards shall be generally left as they

are, but educational system and contents shall undergo

wholesale revision, as separately planned".

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If the Court please, the prosecution now desires to present its document No. 1584-A. This document is in two parts: (1) "Documents Concerning the Treaty between Japan and China"; the other is a "Statement of the Foreign Office Spokesman, on the Signing of the Sino-Japanese Basic Treaty, and the Japan-Manchoukuo-China Joint Declaration, Issued on November 30, 1940."

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 1584-A, to-wit, a copy of the "Tokyo Gazette,"

January, 1941, will receive exhibit No. 464, and the excerpts therefrom, 464-A.

(Whereupon prosecution's exhibits

No. 464 and No. 464-A were received in evidence.)

MR. HAUXHURST: For the information of the

Tribunal, I would say that the first part of this
document, "Documents Concerning the Treaty between

Japan and China," covers all that appeared in exhibit

No. 40, prosecution's document No. 190, which is the

1940 treaty between Japan and China. In preparing

this document we had in mind the order of the Court

that the whole article in the "Tokyo Gazette" must be
included; and as this was the first part of the

article, we thought that it would save references

to exhibit No. 40 and we would have all of the information in this document as now introduced. THE PRESIDENT: Do you propose to read all this or to give us only a well-considered selection? MR. HAUXHURST: I am prepared, if the Court please, to give you selections from three or four paragraphs of the treaty and the protocol. THE PRESIDENT: We will adjourn now until half-past one. (Whereupon, at 1158 a recess was taken.)

AFTERNOON SESSION

The Tribunal met, pursuant to recess, at 1330.

MARSHAL OF THE COURT: The International Military Tribunal for the Far East is now resumed.

THE PRESIDENT: Mr. Hauxhurst.

MR. HAUXHURST: May it please the Tribunal,
I find that exhibit No. 40 was not read to the Court
at the time it was introduced, and I would like to
read one article from the Treaty, Article 6, and
Article 2 from the Joint Declaration of Manchukuo,
China, and Manchuria.

(Reading): "ARTICLE 6

"The Governments of the two countries shall effect close economic cooperation between the two countries in conformance with the spirit of complementing each other and ministering to each other's needs, as well as in accordance with the principles of equality and reciprocity.

"With reference to specific resources in

North China and Mengchiang, especially mineral resources required for national defense, the Government
of the Republic of China undertake that they shall be
developed through close cooperation of the two

countries. With reference to the development of specific resources in other areas which are required for national defense, the Government of the Republic of China shall afford necessary facilities to Japan and Japanese subjects.

"With regard to the utilization of the resources referred to in the preceding paragraph, while considering the requirements of China, the Government of the Republic of China, shall afford positive and full facilities to Japan and Japanese subjects.

"The Governments of the two countries shall take all the necessary measures to promote trade in general and to facilitate and rationalize the demand and supply of goods between the two countries. The Governments of the two countries shall extend specially close cooperation with respect to the promotion of trade and commerce in the lower basin of the Yengtze River and the rationalization of the demand and supply of goods between Japan on the one hand and North China and Mengchiang on the other.

"The Government of Japan shall, with respect to the rehabilitation and development of industries, finance, transportation and communication
in China, extend necessary assistance and cooperation
to China through consultation between the two countries."

And then paragraph 2 of the protocol on page 6: (Reading) "Japan, Manchoukuo and China will respect mutually their sovereignty and territories. "Japan, Manchoukuo and China will bring about general cooperation on a reciprocal basis among the three countries, especially a good neighborrly friendship, common defence against communistic activities and economic cooperation, and for that purpose will take all the necessary measures in every direc-tion."

MR. HAUXHURST (Continuing): In Part 2 of the document at the end of page 1, I would like to read the second statement, the second paragraph of the statement of the Foreign Office spokesman on the signing of the Sino-Japan Basic Treaty and the Japan-Manchukuo-China Joint Declaration issued

(Reading): "Following the outbreak of the Sino-Japanese hostilities, and with the advance of Japanese forces, there sprang up societies for the maintenance of peace and order in various parts of China. These were gradually absorbed by and amalgamated with two regimes -- namely, the Provisional Government at Peking and the Reformed Government at Nanking, paving the way for the construction of a new China, until finally there appeared the Peace and National Salvation Movement under the leadership of Mr. Wang Ching-wei."

And then on page 2, the last two paragraphs.

(Reading): "In parallel and inseparable with the activities for the establishment of a Central Government, there progressed negotiations for the adjustment of Sino-Japanese relations. These negotiations made especially notable progress on the basis of the three principles of amity and neighbourliness,

on November 30, 1940.

common defence against the Comintern and economic cooperation, after the Sixth Plenary Session of the Kuomintang which was held at the end of August of 1939; and on December 30 an informal agreement on basic ideas regarding the adjustment of Sino-Japanese relations was reached at Shanghai between the negotiators of the two countries.

"Upon the establishment of the new Central Government on March 30 of this year, the Japanese Government appointed on April 1 General Nobuyuki ABE, Ambassador Extraordinary and Plenipotentiary, who arrived at Nanking on the 23rd of that month. After this, all preparations were completed with despatch for the restoration of Sino-Japanese relations. On July 5 the first meeting of the formal conference took place, attended by Ambassador ABE and Mr. Wang as Acting President of the Republic of China. Mr. Wang on this occasion spoke of what China expected of the conference, while Ambassador ABE set forth the views of the Japanese Government relative to the negotiations that were to begin. Since then the negotiations were continued for almost two months. It was rather the zeal on both sides for the construction of the new order in East Asia than what may merely be termed mutual concession that

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enabled the delegates of the two countries to solve the many complex and vexing problems. At the 15th session held on August 28 they agreed upon a draft treaty, which was initialled on August 31. Upon examination by the two Governments from the domestic standpoint of their respective countries, this draft treaty was found to require partial alterations. Accordingly in the latter part of September the negotiations were resumed for the necessary revision, on which an agreement of views was reached, and the treaty in its final form was initialled on October 10.

"On the other hand, with Manchoukuo that had always supported without reserve the cause of Sino-Japanese cooperation, negotiations were conducted concerning a Japan-Manchoukuo-China Joint Declaration. Early in November Mr. Wei Huan-chang, director of the Foreign Affairs Bureau of Manchoukuo arrived in Nanking, and the Declaration as published today was initialled on November 8 by the plenipotentiaries of the three countries. Meanwhile, Ambassador ABE, returning to Japan on October 27, met Prime Minister Prince KONOYE on October 29 to report on his mission. Following the Imperial Conference of November 13, the Treaty was submitted to the Privy Council, and approved at its full session of November 27. This in brief is

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the hisotry of the Sino-Japanese Basic Treaty that
     was signed today at Nanking."
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MR. HAUXHURST (Continuing): On behalf of the prosecution I would like to introduce its next document, No. 1453, to be introduced into evidence, a Secret Treaty, dated November 30, 1940.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 1453 will receive exhibit No., 465.

(Whereupon, prosecution's exhibit No. 465 was received in evidence.)

MR. HAUXHURST: This consists of two secret annexed agreements and a letter from Wang Chao-Ming to His Excellency ABE, Ambassador of Japan. I would to read from A-1 three articles.

"Article I -- document A-1 --

"The Governments of the two countries have agreed that, in order to promote the common interests of both countries and to secure peace in East Asia, diplomacy based upon mutual concert shall be effectuated and that no measures, which are contrary to this principle, shall be taken on relations with other third countries.

"Article II

"The Government of the Republic of China shall comply to the Japanese demands regarding military necessities, in accordance with the agreements

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that are to be decided hereafter between the two countries, concerning the railways, airways, communications, harbors and waterways located in areas stationed by Japanese troops and in the related areas thereof within the territorial jurisdiction of the Republic of China. However, the executive and administrative rights of the Republic of China shall be respected in ordinary times.

"The Government of the Republic of China agree to grant the aforementioned Japanese troops facilities necessary to station troops in accordance with the agreements that are to be decided hereafter between the two countries.

"Article III

"The governments of the two countries shall publicly announce, when found necessary, the whole or a part of the articles in this agreement upon consultation."

I shall read from Articles I, II, and III of Document A-2.

"In accordance with the stipulation in Article V of the treaty, Japanese vessels shall be permitted to freely enter into and anchor at the harbor areas within the territorial jurisdiction of the Republic of China in order that Japanese surface

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units can be stationed along the Yangtsze River banks and in the specified islands along the South China coast and connecting points thereof.

"Japan and the Republic of China have agreed that, in order to maintain the common interests of the two countries, it is considered necessary to maintain and safeguard the security of traffic lines in the China Sea and, in accordance with the agreements that are to be decided hereafter, between the two countries based on Article V of the said treaty, that close military cooperation shall be effectuated on the specific islands along the South China coasts and connecting spots thereof.

"Article II.

"The Government of the Republic of China has agreed to cooperate intimately between the two countries in planning development and production of specia resources, especially strategic resources necessary for national defense in Amoy, Hainan Island and the adjoining islands thereof. In regard to the utilization of these resources, the Government of the Republic of China shall, after giving consideration to her needs, positively and adequately facilitate Japan and the Japanese people, especially in replenishing the strategic demands of Japan.

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"Article III.

"The governments of the two countries shall publicly announce this agreement upon consultation, when general peace has been restored between the two countries or at some appropriate time previous to the restoration of peace."

(Continuing): The next MR. HAUXHURST 1 document I would like to read is 1453-6, and is 2 addressed to his Excellency ABE by Wang Chao-Ming. 3 THE PRESIDENT: Admitted as before. 4 CLERK OF THE COURT: Prosecution's docu-5 ment 1453-C will receive exhibit No. 465-A. 6 (Whereupon prosecution's exhibit No. 465-A was received in evidence.) S (Reading): "Monsieur l'Ambassadeur, 9 I have the honor to inform you that on signing the 10 Treaty relating to the Basic Relations between Japan 11 and China, an agreement was reached between Your 12 Excellency and myself, with reference to the stipu-13 14 lations of Article 1 of the Supplementary Protocol 15 of the said Treaty, that during the period in which 16 Japan continues in the territories of the Republic of 17 China the warlike operations she is now carrying on, 13 the government of the Republic of China will positive-19 ly cooperate toward the full attainment of the purposes 20 of the said warlike operations of Japan. 21 "I wish that Your Excellency will confirm 22 the above-mentioned understanding." 23 The prosecution would next like to introduce 24 into evidence its document No. 1451-A, B, D and E. 25 This is the Sino-Japanese treaty that was made

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October 30, 1943.
                THE PRESIDENT: Admitted as before.
                CLERK OF THE COURT: Prosecution's
      document 1451-A, B, D and E will receive exhibit
      No. 466.
                      (Whereupon prosecution's exhibit
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No 466 was received in evidence.)

MR. HAUXHURST: These are the original treaties which are in the document and there are also the original letters passing between the Minister and the representatives of the government. For the purpose of saving time of the Court, I have added to this document an official announcement by the Board of Information on October 30, and also a statement of the Japanese Government regarding the conclusion of the Pact of Alliance between Japan and the Republic of China under date of October 30, 1943. The summary, as outlined in the statement of the Japanese Government satisfactorily, from our point of view, analyzes and states the purposes of the treaty and will thereby save time.

(Reading): "1451A. ANNOUNCEMENT OF THE BOARD OF INFORMATION REGARDING THE CONCLUSION OF A PACT OF ALLIANCE BETWEEN JAPAN AND THE REPUBLIC OF CHINA, October 30, 1943.

"The Governments of Japan and China have been negotiating with a view to concluding a Pact of Alliance between the two countries and a complete agreement having been reached on the draft of the treaty, His Excellency Masayuki TANI, Japanese Ambassador Extraordinary and Plenipotentiary, and His

Excellency "ang Ching-wei, President of the Executive Yuan of the Republic of China, signed and sealed the treaty at Nanking on October 30."

"1451B, STATEMENT OF THE JAPANESE GOVERNMENT REGARDING THE CONCLUSION OF A PACT OF ALLIANCE
BETWEEN JAPAN AND THE REPUBLIC OF CHINA", dated
"October 30, 1943."

"The Japanese Government have today concluded with the Government of the Republic of China
the 'Pact of All; mee between Japan and the Republic
of China.' As a result of the conclusion of this
Pact, the Treaty Relating to the Basic Affairs between Japan and China and the Documents attached
thereto have lost their validity and, at the same
time, the treaty relations between the two countries
have entered upon a period of epochal development.

"The Japanese Government previously made clear, in their statement of January 9 of this year, their convictions regarding Japan's policy toward China to meet the new situation following the outbreak of the War of Greater East Asia. Since that time, Japan has steadily translated into action what was publicly declared in that statement and thereby extended her utmost aid toward the speedy establishment of a new China on the basis of self-asserting

independence and manifestation of the political power of the National Government, and the latter also, in concert with Japan, have taken measures to reinforce themselves and strengthened their co-operation for the prosecution of the war, resulting in the smooth and satisfactory development of the new relations between the two countries.

"With the outbreak of the War of Greater East Asia, the situation in this part of the world has undergone a radical change. Before the War, the aggressive activities of the United States and Great Britain were rampant and consequently Japan was placed in a position where she could not ignore the realities of this situation in determining her treaty relations with China. But after the war broke out, the influence of the United States and Great Britain has been completely expelled and the National Government have also declared war against those countries. As a result, Japan and China have come to deem it appropriate to readjust their treaty relations to conform with the new situation in order that they may, untrammelled by all past circumstances, revert to their normal and proper status as good neighbors and accomplish their common mission of collaborating to stabilize Greater East Asia and promote its renaissance and prosperity.

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This indeed is the reason why the new Pact has been concluded.

"Japan has already secured with Manchoukuo,
Thailand, Burma and the Philippines close co-operative
relations based on justice and has now firmly established with the Republic of China a new foundation
for their cooperation. Thus, theorder to assure the
common prosperity and well-being of all countries in
Greater East Asia is steadily being realized.

pecting an epochal progress of Japanese-Chinese relations in conformance with the spirit of the new Pact and, at the same time, being unstinting in extending every possible assistance for the complete realization of China's self-asserting independence, and expecting that Japan and China will together in close co-operation march vigorously forward toward the successful prosecution of the present war and the establishment of a new order in Greater East Asia, hereby make known their convictions both at home and abroad."

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MR. HAUXHURST: The next document which the prosecution wishes to introduce into evidence is its document No. 2177. This document was prepared as a result of a SCAP directive and covers exports and imports between Japan and Manchukuo, the Kwantung Peninsula and China. Those are the three that are included in this document. These tables have been prepared to include not only the Kwantung Peninsula, Manchukuo and China, but also the Philippines, Indo-China, and other countries to the south. They run from 1932 to 1946.

Without taking the time to go through these figures, I would call the Court's attention to page 4, showing the imports into Japan of iron ore and also salt. In explaining the document I overlooked offering it in evidence, if the Court please, which I now do.

THE PRESIDENT: Admitted on the usual terms. CLERK OF THE COURT: Prosecution's document No. 2177 will receive exhibit No. 467.

(Whereupon, the document above referred to was marked prosecution's exhibit No. 467 and was received in evidence.) THE PRESIDENT: But for the figures, which is in Japanese.

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MR. HAUXHURST: If the Court please, it is 1 both; the first page is in English and the second page 2 is in Japanese. 3 THE PRESIDENT: You draw attention to No. 4, 4 is that so? 5 MR. HAUXHURST: Yes, sir. Page 4 of the im-6 ports, so far as China and Manchukuo are concerned. 7 They will be two separate documents, but each of them 8 are page 4. 9 THE PRESIDENT: The particular items are salt, 10 and what is the other one? 11 MR. HAUXHURST: Salt and iron ore and coal. 12 THE PRESIDENT: Well, you had better tell us 13 what the result is over the years. 14 MR. HAUXHURST: We have considered this 15 16 document a matter for reference only, but it does show, for instance, on page 4, imported into China -17 THE PRESIDENT: It is headed "Import, Man-18 chukuo." 19 20 MR. HAUXHURST: Well, then, towards the end 21 of the document is the China import and export; on page 4 under "salt" the imports into Japan from China in 22 23 1931 in yen value 1,960,000, whereas in 1945 the im-24 ports are 167,501,000 yen. In the case of coal on

the same page in 1931 3,902,000 yen in value was

imported, whereas in 1943 145,430,000 yen of coal was imported.

THE PRESIDENT: Yes?

MR. HAUXHURST: The document was introduced to show those comparisons and it is true of coal and iron and manufactured machinery which was exported from Japan to Manchuria. In the case of iron ore from China in 1931, 4,180,000 yen in value was imported as against 95,930,000 yen in value.

The prosecution now desires to introduce into evidence document 2470. This document is a further summary of exports and imports, and it is introduced at this time to have reference to the last page of the document, page 10.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 2470 will receive exhibit No. 468.

(Whereupon, the document above referred to was marked prosecution's exhibit No. 468 and was received in evidence.)

MR. HAUXHURST: On page 10 of the document is Manchukuo, importation of heavy construction material, 1932 to 1943; unit one thousand yen. I call the Tribunal's attention to the column under 1932 as compared with the column 1938, which shows the

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increase in the value in the yen of heavy construction material. On the total figures in 1932, 34,726,000 in yuan value was imported into Manchukuo, In 1938, the last year as you will see that apparently any figures were evailable, it was 365,076,000 yuan.

MR. BROOKS: Mr. President.

THE PRESIDENT: Captain Brooks.

MR. EROOKS: I would like to object to the immateriality of this type of evidence that is going in. I can't see what the prosecution is intending to show in setting out this figure. Instead of robbing this country it looks like they are giving them a lot of materials, and so forth. In carrying out their offer of assistance, as stated in a lot of these documents that they have put in, I am quite at a loss to see the materiality from the prosecution's standpoint in this case. I object to it for that reason.

THE PRESIDENT: It is quite material to show the extent to which Japan battened on the resources of China and the results of the alleged aggressive war. The objection is overruled.

MR. HAUXHURST: The prosecution now desires to introduce into evidence its document No. 2298. This is introduced to show the paid up capital, debenture issues, investments and loans of the North

and Central China Development Company.

THE PRESIDENT: Admitted on the usual terms.

CLERK OF THE COURT: Prosecution's document

No. 2298 will receive exhibit No. 469.

(Whereupon, the document above referred to was marked prosecution's exhibit No. 469 and was received in evidence.)

MR. HAUXHURST: I call the Tribunal's attention to the last line on the first table on page 2, which show as of March 31, 1945, paid up capital so far as the Central China Company is concerned of 110,864,946 yen, debentures issued 352,600,000; investments 144,061,390 yen, on loans 4,827,651,860 yen. In the case of the North China Development Company the figures are shown in the last line without necessarily repeating them.

THE PRESIDENT: Are they loans to or by the company?

MR. HAUXHURST: By the company. It was in-

THE PRESIDENT: Are you sure?

MR. HAUXHURST: Investments and loans by the they were asked to compile from the annual reports
of the Central China Development Company, showing
paid up capital, debentures issued, investments and

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loans; that is, loans of the company for the years 1 ended December 31, 1938, 1939, 1940, and March 31, 2 That appears in the certificate on the first 1941. 3 4 page. If the Court please, we now desire to 5 6 present into evidence prosecution's document No. 7 2299, which is a document to show the interest of the Japanese Government in the South Manchurian Railway, 9 Central China Development Company, North China Dev-10 elopment Company, Manchurian Heavy Industry Company. 11 THE PRESIDENT: Admitted as before. 12 CLERK OF THE COURT: Prosecution's document 13 No. 2299 will receive exhibit No. 470. 14 (Whereupon, the document above referred 15 to was marked prosecutions exhibit No. 470 16 and was received in evidence.) 17 MR. HAUXHURST: On page 1 of the document 18 is the Government investment in stock shares of the 19 South Manchurian Railway Company, Limited, to 22 June 20 1946, and shows that out of a capital of 1,400,000,000 21 the Japanese Government owned 700,000,000 of yen, and 22 that the Japanese Government owns 50,000,000 yen. 23 THE PRESIDENT: You mean the Manchukuo 24 Government owns 50,000,000.

MR. HAUXHURST: So that the Japanese

Government, as is shown in the fourth column, owns 50 per cent of the capital of the South Manchurian hailroad, in addition to the 50,000,000 yen that the Manchukuoan Government owns. On page 2 of the document is a statement of the subsidiaries of the South Manchurian Railway Company, showing the percentage that they own in the various companies and when they were organized. The Court's attention is called to the extensive industries in matters that are included in these investments, as is shown by the names of the companies.

Turning to page 3 at the bottom of the page is shown the Government investments in stock shares of the Central China Development Company, Limited, and that the Japanese Government owns 98,424,250 yen in value, or 88.9 per cent of the company.

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The next page shows the names of the companies in which the Central China Development Company and its subsidiaries, and shows the percentage of ownership; and also attention is called to the varied industries that are named in the companies.

On the next page is the government investment in stock shares of the North China Development Company, Ltd., as of 22 June 1946, and shows the Japanese Government owns 254,250,000 yen of its capital, or 81.6 per cent.

Then follows three pages with the names of the companies of -- of the subsidiaries of the North China Development Company; and in the left-hand column the Court will find that there is indicated the percentage of ownership in each bloc. of named companies.

On page 9 is the same information in reference to the Manchuria Heavy Industry Development Company, Ltd. As of 22 June 1946 the Japanese Government had no investment in that company. But in the right-hand column in the third box it is shown that as of March 31, 1945, the Manchukuo Government owned 225,000,000 yen out of the capital of that company. And then follows a similar list as to the subsidiary companies, showing the percentage of ownership.

The next document the prosecution wishes to

introduce into evidence is document No. 2471-A. This is the last document that the prosecution will present in this phase of the case. THE PRESIDENT: What is it? It shows Japanese investment in Manchuria and 5 China proper. MR. HAUXHURST: Yes, sir. 7 THE PRESIDENT: Admitted on the usual terms. DEPUTY CLERK OF THE COURT: Prosecution's 9 document No. 2471-A will receive exhibit No. 471. 10 (Whereupon, the document above 11 referred to was marked prosecution's exhibit 12 No. 471, and was received in evidence.) 13 THE PRESIDENT: Captain Brooks. 14 MR. BROOKS: Mr. President, if the Court please, 15

on exhibit 470 we just noticed on page 8, section (e), the statement: "As the exact figures are not available, the figures given above are not guaranteed." You will find it at the last paragraph in there. I think it would have quite a bit of weight.

MR. HAUXHURST: If the Court please, this document was issued to us as a result of a SCAP directive to be made from the figures of the Japanese Government, and are probably the only available figures as a result of the records some of which have been destroyed

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by bombing. 1 THE PRESIDENT: I was just wondering how far 2 that extends. 3 MR. HAUXHURST: Beg pardon? 4 5 THE PRESIDENT: Does the note extend to the 6 whole document? 7 MR. HAUXHURST: No. it does not. 8 THE PRESIDENT: I note the certificate that 9 it is a true and correct copy of the company's origi-10 nal document. 11 That note would appear to be confined to the 12 North China Development Company. 13 MR. HAUXHURST: Yes. 14 THE PRESIDENT: However, we will take note 15 of what Captain Brooks pointed out. 16 MR. HAUXHURST: Yes, sir. It should also 17 be noted, too, that on page 7 in reference to the 18 419 business companies which have reported: "It is, 19 however, thought that there is still a considerable 20 amount of investments which have not yet been reported." 21 THE PRESIDENT: Bor our purposes it is not 22 necessary to have the figures to the last ounce and 23 the last cent. 24 Better continue with exhibit 471. 25 MR. HAUXHURST: On page 2 is the investment

in Manchukuo of the Japanese Government, showing a total of 138,750,000 yen in the companies named.

On page 3 of the document is the investment in China of the Japanese Government. It shows that in 1938 the amount was 55,570,000 yen, and the Central China Dayelopment Company 18,882,000 yen or a total of 74,452,000 yen. These are summarized fairly well on page 5 of the document in the table, "Total Amount of Investments in Manchuria as classified by Enterprises," and shows the investment by the Japanese Government of 1,346,651,800 yen; by private concerns, 16,800,000,000; a total of 18,187,000,000 yen.

And on the final page 7, it shows that four out of -- 419 business firms had invested in China over 298,378,000,000 yen, an increase over the amount invested in 1938 which was 1,835,573 yen; so that over 297,000,000,000 yen were invested in China during the seven years 1938 to 1945.

THE PRESIDENT: We will recess now for fif-. teen minutes.

(Whereupon, at 1445, a recess was taken until 1500, after which the proceedings were resumed as follows:)

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MARSHAL OF THE COURT: The Tribunal is now resumed.

MR. HAUXHURST: May it please the Tribunal, in the last figure that I gave, I understand I said "billion" instead of "million" of yen. I said "the investment of 419 enterprises in China." It should be "two hundred ninety-eight million, three hundred seventy-eight thousand, five hundred ninety-seven yen." (sic)

THE PRESIDENT: You ought to endeavor to enlighten the Court on the source of those immense loans the company is said to have made according to you, Mr. Hauxhurst.

MR. HAUXHURST: I do not have the details of that, if the Court please, other than appears in these documents. Otherwise, the prosecution has no further evidence to introduce on this phase of the case at this time.

THE PRESIDENT: You should be able to clarify a matter of that importance. We will ask for assistance. I am referring now to page 2, exhibit 469. There is a figure there on the loans: "4,827,651,860." We surely are entitled to enlightenment on the source of such loans as that which you say were made by the company. They are out of all proportion to the other

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figures disclosed in that particular exhibit or in any other exhibit that we can recall. They may represent operations by these companies on the compulsory savings of the people of which we heard something earlier, but we are not entitled to guess.

MR. HAUXHURST: If the Court please, this document 2298 which you are referring to, showing loans of the Central China Development Company of four billion, eight hundred seventy-six million, six hundred fifty-one thousand, eight hundred sixty dollars in the case of the Central China Development Company, and in the case of the North China Development Company of two billion, eight hundred seventeen, three hundred twelve thousand (sic) yen, was made up from eight reports -- annual reports of each of those companies by Mr. Chiu of this -- my associate, from the only reports that we were able to get. They were returned to the Department, after they had been made up, together with a statement, and this statement here represents a correction -- the corrected statement that was prepared by the Department under this certificate.

THE PRESIDENT: And we still want to know where the monies for these loans came from.

MR. HAUXHURST: This application was made to

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the Chairman of the Committee of Conservatories for the closed institutions who furnished us the annual statements, eight in one case and eight in the other, the case of the Central China Development Company; and those were taken from those statements, and those statements did not show the source of the loan.

THE PRESIDENT: You will get us the Central China Development Company's balance sheet for the year 1945.

MR. HAUXHURST: I would like the opportunity to go to the Conservatory and secure the information that the Court wishes. This is a summary which was prepared and which he certified to after correcting the figures.

THE PRESIDENT: You understand, the Court is not prepared to guess, and the source of those monies, on the evidence as it stands, involves a guess. You can act on that.

MR. HAUXHURST: Yes, sir. We will act on the suggestion that your Honor has made.

MR. KEENAN: Mr. President, we ask the permission of the Court to present a witness out of order, out of the usual category, because of his requirement in his home base and his utter inability to remain at this time. So, I shall ask Mr. Comyns Carr,

Associate Prosecutor from the United Kingdom, to present this witness at this time.

MR. COMYNS CARR: May it please the Tribunal, I now propose to call Colonel Wild. He is the witness with regard to whom I made an application to the Tribunal some days ago.

I propose to examine him from the proof of which we have supplied copies to the defending counsel. Then I propose to put in certain documents, one of which is rather a lengthy one, and then to ask the witness certain further questions arising out of those documents.

CYRIL HEW DALRYMPLE WILD,

Colonel, British Army, called as a witness on
behalf of the prosecution, being first duly

sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COMYNS CARR:

Q Your name is Cyril Hew Dalrymple Wild, and you are a Colonel in the British Army and, at the present time, War Crimes Liaison Officer with the Allied Land Forces in Southeast Asia.

Between the years 1931 and 1940, were you resident in Japan?

1	A I was.
2	Q During that time, did you study the Japan-
3	ese language, and do you speak it pretty well?
4	A Yes, I do.
5	Q In 1940, did you return to England and
6	rejoin your old regiment?
7	A Yes, I did.
8	Q And in 1941, were you in Malaya as a staff
9	officer, first of all G.S.O.3 and then G.S.O.2 with
10	the 3rd Indian Corps?
11	A Yes, I became G.S.O.2 in 1942.
12	Q On the night of the 7th to 8th December,
13	1941, were you on duty in the Operations Room of the
14	headquarters of the 3rd Indian Corps at Kuala Lumpur?
15	A Yes, I was.
16	MR. COMYNS CARR: Let the witness be pro-
17	vided with a pointer, a stick, with which he can
13	indicate certain places on this map (indicating map
19	of 1941 on the panel over the accused's dock).
20	THE PRESIDENT: He will have to invade the
21	accused's province unless it is a very long stick.
22	MR. COMYNS CARR: I don't wish to detain the
23	Court, so I will try to go on without it.
24	(Whereupon, a long stick was
25	brought into the Courtroom.)
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	MR. COMYNS CARR: (Continuing) Let the
1	witness come forward and indicate on the map certai
2	places about which he is going to speak.
3	THE PRESIDENT: You may go forward, Mr.
4	Witness.
5	(Whereupon, the witness left the
6	witness box, was handed the long stick, and
7	approached the accused's dock under the map
8	of 1941.)
9	BY MR. COMYNS CARR: (Continuing)
10	Q First of all, please show us the boundary
11	between Malaya and Siam.
12	A The other map would be better (indicating
13	map of 1938 over the other end of accused's dock).
14	(Whereupon, the witness walked to
15	the map of 1938 and indicated.)
16	Q Now, immediately to the south of that
17	boundary and on the east side of Malaya, is there a
13	place called Kota Bahru?
19	A Yes, there is (indicating).
20	Q That is in Malaya?
21	A In Malaya.
22	Q That is Malaya.
23	Immediately to the north of it, also on the
24	same side but in Siam, are there two places called

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1	Singora and Patani?
2	A Singora (indicating; Patani (indicating).
3	Q Thank you. Will you return to the witness
4	box, please, and return your stick.
:	(Whereupon, the witness returned
ć	the long stick and returned to the witness
7	box.)
ε	Q (Continuing) Shortly after midnight on
9	that night, 7th to 8th December, did you receive a
10	signal from the 8th Indian Brigade at Kota Bahru
11	that ships had been sighted off the coast some half
12	hour earlier?
13	A Yes, I did.
14	Q And at 0030 hours on the 8th of December,
15	half an hour after midnight, did you receive another
16	signal that the enemy were landing and that the
17	defenses had gone into action?
18	A Yes. I cannot be positive as to the time,
19	but my recollection is that the signal was dated
20	approximately 0030 hours.
21	Q Did you immediately report by telephone to
22	headquarters at Singapore?
23	A Yes, we were in communication with them
24	immediately.

Did you ascertain whether they had any

1	information of any declaration of war?
2	A Yes, that was ascertained.
3	Q Had they any such information?
4	A No, they had not.
5	Q A few hours later, did you learn anything
6	about Japanese landings at the two places you have
7	shown us on the map, Singora and Patani in Siam?
8	A Yes, I heard my co-commander mentioning
9	this at a conference as I returned to the Operations
0	Room.
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Q	Did	you dis	cover	approximately	when	those
landings	had	taken p	lace?			

A It was understood that they had taken place within an hour or so of the original landing at Kota Bahru.

Q On the same day, the 8th of December, did you discover from air reconnaissance anything as to the positions of the Japanese at those points?

A Yes, aerial photographs showed that ships were unloading at Singora and Patani and the airdrome at Singora was under occupation by the Japanese air force.

Q Did the Japanese advance from those points in Siam?

A Yes, they crossed the border into Malaya from Singora at Pedang Besar and from Patani they crossed the border into Malaya at Kroh.

Q If it had not been for the Siamese border, would it have been an advantage or otherwise for the British troops to cross and establish defenses on the Siamese side?

MR. LCGAN: I should like to object to that, if the Tribunal please, on the ground it is speculative.

MR. COMYNS CARR: Does the Tribunal allow the question?

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THE PRESIDENT: Would you like to argue it, 1 2 Mr. Comyns Carr? MR. COMYNS CARR: In my submission, these 3 questions are directed to the fact that the Japanese violated the neutrality of Siam in order to put them-5 selves into a better position for attacking Malaya. 6 THE PRESIDENT: As an expert, no doubt he could give that evidence if it is relevant to any 8 issue; but what issue would it go to here? MR. COMYNS CARR: To the issue in my sub-10 mission of aggressive warfare. 11 12 THE PRESIDENT: Is that the issue upon 13 which he is testifying? 14 MR. COMYNS CARR: At this point, yes, sir. 15 THE PRESIDENT: Yes. Objection overruled. 16 You remember the question, Colonel Wild? Q 17 Yes, I do. It was the opinion of the Corps 18 and the Malaya Command that it would be greatly to 19 our advantage if we held the landing places at Singora and Patani before the Japanese attacked; but we were forbidden to cross the border prior to a Japanese attack because this would have been a violation of Siamese neutrality. MR. COMYNS CARR: Down to that point, if

it please the Tribunal, the witness has been giving

evidence which will be relevant to Part Nine of
Appendix A, that is, the attack on the United Kingdom
and British Empire. The rest of his evidence will
be concerned entirely with Appendix D, that is,
prisoners of war.
Q On the 15th February, 1942, were you
serving in the staff of the 3d Indian Corps in
Singapore?
A Yes, I was.
Q And at about seventeen hours on that day
did you go with Lieutenant General Percival and other
officers to the surrender and become a prisoner of
war?
A Yes, I did.
Q Were you acting as Lieutenant General
Percival's interpreter?
A Yes, I was.
Q Did General YAMASHITA receive the surrender?
A Yes.
Q And was Lieutenant Colonel SUGITA with him?
A Yes, he received the surrender which was to
become effective a few hours later and Colonel SUGITA
was with him.
Q After it had been signed did you with

Lieutenant General Percival's permission make a

1	request to General YAMASHITA?
2	A Yes, I did.
3	Q What was it and what was his answer?
4	A In the name of General Percival I requested
5	General YAMASHITA in the spirit of Bushido to protect
6	the women and children who were still in Singapore.
7	General YAMASHITA vowed across the table to General
8	Percival and said he would do so.
9	O About how many European nationals were there
0	left in Singapore at the time of the surrender
1	civilian?
2	A Over 3,500.
3	0 Of how many nations?
4	A Of over twenty nations.
5	Q Previously had there been attempts to
6	evacuate them by sea?
7	A Yes, there had been and over forty ships
8	had been sunk with the loss of many thousand lives.
9	Q Did the 3,500 include women and children?
0	A Yes, a large number of women and children.
21	Q What happened to them?
22	A They were placed inside Changi Prison.
23	. Q How many people was that built to accommodate?
24	A It was built to accommodate seven hundred
5	convicts

1	And how long did the 3,500 have to remain
2	there?
3	A Until April, 1944, that is, two and a quarter
4	years, when they were transferred to Sime Road Camp
5	in Singapere.
6	Where were the military personnel prisoners
7	of war placed?
8	A The British and Australian prisoners of war
9	were marched out to Changi on the east of Singapore
10	Island where they were accommodated in former military
11	barracks.
12	Q What happened to the Indian troops?
13	A The Indian troops were taken away from
14	their British officers who wanted to remain with
15	them and were collected in Farrar Park in Singapore.
16	In Farrar Park they were harangued by the Japanese
17	to try and induce them to join the so-called Indian
18	National Army.
19	Q Did many do so at that time?
20	A At that time, very few.
21	Q What happened to those who did join?
22	A They were put into reasonably good camps
3	and given preferential treatment as regards rations,
4	uniform, and so on.
5	Q And how were they employed?

T	A Those were drilled and trained to become
1	soldiers in the Indian National Army.
2	O Did they have anything to do in connection
3	with the British prisoners of war?
4	A Some of them were employed by the Japanese
5	as guards over British prisoners of war.
6	Q What happened to those Indian soldiers who
7	refused to join?
8	A They were put into crowded labor camps,
9	mainly on Singapore Island, where they were subjected
10	to a long course of calculated ill treatment. The
11	loyal Indian officers were taken away from them and
12	particularly ill treated, and the others were lectured
13	continually about the advantages of joining the Indian
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15	National Army, and many of them were severely beaten
16	up.
17	Q How did they get on for food?
18	A They were kept on very short rations.
19	O Were you yourself appointed as liaison
20	officer between General Percival and the Japanese?
21	A Yes, I was.
22	Q And was the Japanese officer with whom you
23	had to deal, Lieutenant Colonel SUGITA?
24	A Yes, he was.
25	Q Did that position enable you to travel around
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in Singapore more than you could otherwise have done and to see more? Yes, for one week I was able to go quite freely around Singapore in uniform wearing an armband and having a pass on my car with the Japanese characters "RENRAKU SHOKO," liaison officer. Were there in Singapore a large number of 7 Chinese? Yes, a very large number. Were many of them British subjects having been born there? Probably the majority were British subjects. During that week did you see anything that was happening to the Chinese inhabitants of Singapore? Yes, in two areas of Chinatown I saw the Japanese cordoning off the area with light tanks and troops. All the male Chinese were being collected together in hundreds in these places and were being separated from the women and the children. I noticed the Chinese looked extremely apprehensive and many of the women were crying. On the 22d of Februa y did you go with

Brigadier Newbiggin to see Lieutenant Colonel SUGITA at the Changi Conference House?

A Yes, I did. THE PRESIDENT: This is a convenient break,
I think, Mr. Comyns Carr. We will adjourn now until
half-past nine tomorrow morning.

(Whereupon, at 1600, an adjournment
was taken until Wednesday, 11 September, 1946,
at 0930.)

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nre	Line	Correction
5355	8	Corps Commander
5350	7	<u>b</u> owed
526	18	for inside East Asia read in South East Asia
5200	8	investigating for the last year
1372	1.5	for a quarter read three quarter
5382	16	for term read tone
5402	11/12	that as it contained none except wounded
		the Japanese etc., (i.e. insert 'as'
		cancel 'and')
5417	7	for August read April
5425	6	for Frazier read Frazer
5426	1	for cared read appeared
5443	13	for sides read south
5452	17	for you are read we were
5453	20	for kilomarks read kilo-mark
5453	22	for miles read mark
5454	1	for speaking of read speaking as
5454	7	for Combat read Cumbered
5454	7	cancel last 'with'
5454	20	for Tarsoa read Tarso
5454	20	comma after truck
5464	2	reascnab <u>ly</u>
5465	17/18	Comma after first Niki Songkr <u>ei</u>
5473	5	a new suit - an issue
5479	8	buy on - buy with
5479	13	special - sufficient

5482	14	shorter - shelter
5486	22	anemic - amoebic
5487	2	for - with
5497	9	in 'H' = and 'H'
5544	4	at Lower Niki
5564	2	die - did
5564	4	a certain
5579	4	doses
5579	5	plasmoguin
5579	6	doses
5580	8	of - on
5690	12	Corps Commander
5691	4	K-r-o-h, and just
5771	2	railhead
5774	21	wheeled transport
5776	13 & 14	permittedly - admittedly
5804	17	February 16th to March 18th
5804	19	eigh <u>th</u>
5804	23	the purposes of what
5813	10	rather - really
5816	3	the report - default
5816	7	buried - included
5827	7	except that of being
5836	9	outer camp - ARAKAN
5839	3	He - We
5840	18	that, I mentioned, is - the dimensions of
		that are
5840	22	where - while